

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON LOCAL GOVERNMENT**

**Call to Order:** By **CHAIRMAN MARK NOENNIG**, on March 18, 2003 at  
3:00 P.M., in Room 472 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Mark Noennig, Chairman (R)  
Rep. Eileen J. Carney, Vice Chairman (D)  
Rep. Scott Mendenhall, Vice Chairman (R)  
Rep. Rep. Larry Cyr (D)  
Rep. Ronald Devlin (R)  
Rep. Gary Forrester (D)  
Rep. Ray Hawk (R)  
Rep. Hal Jacobson (D)  
Rep. Jesse Laslovich (D)  
Rep. Bob Lawson (R)  
Rep. Penny Morgan (R)  
Rep. Alan Olson (R)  
Rep. Holly Raser (D)

**Members Excused:** Rep. Arlene Becker (D)  
Rep. Rod Bitney (R)

**Members Absent:** Rep. Rick Maedje (R)

**Staff Present:** Linda Keim, Committee Secretary  
Connie Erickson, Legislative Branch

**Please Note.** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

The tape stamp for these minutes appears at the  
beginning of the content it pertains to.

**Committee Business Summary:**

Hearing & Date Posted:	SB 114, SB 150, SB 211, 3/13/2003
Executive Action:	SB 211: Be Concurred In
	SB 114: Be Concurred In
	SJ 26: Be Concurred In

**HEARING ON SB 114**

***{Tape: 1; Side: A; Approx. Time Counter: 0 - 2.7}***

**Sponsor:** SENATOR ROYAL JOHNSON, SD 5, BILLINGS

**Opening Statement by Sponsor:**

**SEN. JOHNSON** said that SB 114 clarifies the calculation of the growth rate of the Entitlement Share Pool for each year of the next biennium beginning with year 2002. The only change in the bill is to amend the year from 2004 back to 2002 to remedy a problem caused by HB 124.

**Proponents' Testimony:** None

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

**SEN. JOHNSON** thanked the Committee and asked REP. FORRESTER to carry the bill in the House.

**HEARING ON SB 150**

***{Tape: 1; Side: A; Approx. Time Counter: 2.9 - 15}***

**Sponsor:** SENATOR ROYAL JOHNSON, SD 5, BILLINGS

**Opening Statement by Sponsor:**

**SEN. JOHNSON** said that SB 150 clarifies some Montana public finance laws that are ambiguous and unnecessary. He gave an example of the current definition of "owner" under Special or Rural Special Improvement District laws, which is, "the fee title owner of the lot, tract, or parcel." He said that this definition is hard to apply to condominiums because they have common elements that are held by unit owners as a common undivided ownership interest. He said that Page 8, Lines 9 clarifies that definition with new language.

**SEN. JOHNSON** said that this bill sorts out how condominiums are treated under Special Improvement Districts (SID) and Rural Special Improvement Districts (RSID) contracts. SIDs are issued by municipalities for improvements, streets, sidewalks, etc.

RSIDs are the same thing in a rural setting, usually for roads or bridges. A copy of Section 7-12-2110 of the Montana Code was distributed to the Committee.

**EXHIBIT (loh57a01)**

**Proponents' Testimony:**

**Anna Miller, representing the Department of Natural Resources (DNR)**, said that DNR runs several financing programs. Documents presented to the Committee for the record were: Graph entitled "All Revolving Fund Loans," Map and List entitled "Wastewater Revolving Fund Loans," Map and List entitled "Drinking Water Revolving Fund Loans."

**EXHIBIT (loh57a02)**

**EXHIBIT (loh57a03)**

**EXHIBIT (loh57a04)**

Ms. Miller said that Montana law has never defined how condominium owners would be assessed for their debt. She explained that "financings" are hard for local governments to do because it isn't part of their normal work. It was determined that "financing" processes would be easier to work with if they were in one part of the law. Ms. Miller presented some written testimony for the record.

**EXHIBIT (loh57a05)**

Ms. Miller presented a letter of support from Dan Semmens, Dorsey and Whitney, LLP, the office that serves as bond counsel to the State of Montana.

**EXHIBIT (loh57a06)**

**Joe Mazurek, representing D. A. Davidson Company**, asked to be listed as a Proponent of SB 150.

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. MORGAN** said that Kessler School was listed under "Wastewater Revolving Fund Loans" and asked if lending money to schools was a common practice. **Anna Miller** said that schools are eligible for water and sewer financing. She explained that Kessler School had a septic tank system that had failed, the school needed to be hooked up to the City of Helena's waste water system, and a loan had been issued to pay for that procedure.

**CHAIRMAN NOENNIG** said that he was focusing on the change in protest ownership and referred to Page 5, Lines 25-27 and Page 17, Line 7 which repeals 7-12-2110 and 7-12-4111. He said that this seems to say that in some instances a lessee is considered an owner for purposes of protesting, but it looks like the bill intentionally excludes the lessee. Anna Miller said, "We shouldn't have excluded anybody. Some things had to be adjusted and renumbered because of the new definition for 'owner' and the new definition for 'condominiums.' The information has just been moved around."

**CHAIRMAN NOENNIG** said that he did not understand how Exhibit 1 related to Page 5, Line 27. He asked whether the property owner or the tenant does the voting in both instances. **Anna Miller** said that she thought it was the property owner and she would check and let the Committee know.

**Closing by Sponsor:**

**SEN. JOHNSON** said that the state does a lot of bonds and this type of bill is badly needed. It is important to see how many things the state does in the way of bonding for local communities, and Exhibits 3 and 4 are good examples. He thanked the Committee for a good hearing and suggested that REP. FORRESTER carry the bill in the House.

**HEARING ON SB 211**

***{Tape: 1; Side: A; Approx. Time Counter: 15.4 - 19}***

**Sponsor: SENATOR KEN HANSEN, SD 46, HARLEM**

**Opening Statement by Sponsor:**

**SEN. HANSEN** said that the Department of Environmental Quality (DEQ) has determined that the statute is not needed on the books any longer. The initial purpose of the fee which was added in 1973 was to discourage any motor vehicle wrecking facilities from dumping their unwanted junk vehicles on the collection programs. He explained that scrap metal values of junk vehicles have historically been high, that motor vehicle wrecking facilities have rarely turned their junk vehicles over to the program and have sold the junk vehicles themselves at scrap value. Eight vehicles were submitted in the collection program in one year, for a total of \$16. **SEN. HANSEN** said that the fee of \$2 has only been collected once in the past 15 years.

**Proponents' Testimony:**

**Jan Sensibaugh, Director of the Department of Environmental Quality (DEQ)**, said that basically the Legislative Auditor did a financial audit of the Department and discovered the statutory requirement that a charge of \$2 per vehicle be made if a county gives DEQ a car to crush. Because of the low number of vehicles being received per year it was not cost effective to collect \$2 per vehicle from the county, so they were not collecting that \$2. She explained that the Legislative Auditor told the Department to either collect the \$2 or change the statute, and the Department opted to change the statute.

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

**SEN. HANSEN** asked the Committee to concur on SB 211. He said that **REP. MUSGROVE** will carry the bill in the House.

**EXECUTIVE ACTION ON SB 114**

*{Tape: 1; Side: A; Approx. Time Counter: 21.4 - 27.2}*

**Motion/Vote:** **REP. LASLOVICH** moved that SB 114 BE CONCURRED IN. Motion carried unanimously, 15-0, with **REPS. BITNEY** and **BECKER** voting by proxy.

**Motion/Vote:** **REP. FORRESTER** moved to PLACE SB 114 ON THE CONSENT CALENDAR. Motion carried 15-0.

**REP. FORRESTER** said that he will carry the bill on the House floor.

**EXECUTIVE ACTION ON SB 211**

**Motion/Vote:** **REP. MORGAN** moved that SB 211 BE CONCURRED IN. Motion carried unanimously, 15-0, with **REPS. BITNEY** and **BECKER** voting by proxy.

**Motion/Vote:** **REP. OLSON** moved to PLACE SB 114 ON THE CONSENT CALENDAR. Motion carried 15-0.

**CHAIRMAN NOENNIG** said that REP. MUSGROVE will carry the bill in the House.

**EXECUTIVE ACTION ON SJ 26**

REP. OLSON requested that SJ 26 be brought back for reconsideration as the original vote had been tied at 8-8.

Motion/Vote: REP. OLSON moved that SJ 26 BE CONCURRED IN. Motion carried 8-7, with REP. BECKER voting aye by proxy and REPS. BITNEY by proxy, CYR, FORRESTER, LASLOVICH, MORGAN, CARNEY, and MENDENHALL voting no.

REP. OLSON said that he would carry the bill in the House.

**ADJOURNMENT**

Adjournment: 3:35 P.M.

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REP. MARK NOENNIG, Chairman

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LINDA KEIM, Secretary

MN/LK

**EXHIBIT** (loh57aad)